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FOR IMMEDIATE RELEASE

Scam Alert
New and Used Vehicle Sales and Leases – Spot-Delivery

(Phoenix, Ariz. – May 25, 2004) Attorney General Terry Goddard is warning Arizona consumers not to fall victim of “spot-delivery” when going to purchase a new or used car. Spot-delivery is a predatory lending practice that occurs when the dealer delivers possession of a vehicle to a customer, on the spot, before financing has been approved.

Many times when dealers provide spot delivery, important financing terms in the contract are left blank, and the dealer is free to enter terms that are detrimental to the consumer.

More typically, car dealers allow customers to believe the financing is approved or will be approved shortly, and the customer will take possession of the vehicle. The dealer will then inform the customer after a few days or weeks that original financing could not be obtained. The consumer is then asked to either return the vehicle or the dealer will re-open negotiations. If the consumer traded in a used vehicle, Arizona law requires dealers return that car if financing cannot be obtained, but unscrupulous dealers may claim that the consumer's trade-in vehicle has already been sold.

At this point many consumers find it very difficult to walk away from the vehicle, and may agree to financing terms that are much worse than the original contract terms.

Following is advice for consumers thinking of purchasing or leasing a vehicle from a dealer:

- Don't accept “spot delivery.” Wait until financing has been approved before you take possession of the vehicle from the dealer.
- Carefully read the contracts before signing. If there are blanks left in the contract, ask the dealer to complete the blanks before signing any paperwork.
- Consider shopping for financing **before** you go to the dealer.

Please contact the Attorney General's Office with questions or concerns, or if you know someone who has been the victim of fraud call:

Phoenix Office of the Attorney General Consumer Information and Complaints 1275 W. Washington Phoenix, Arizona 85007-2926 Telephone: (602)542-5763 outside of the Phoenix Metro Area 1-800-352-8431	Tucson Office of the Attorney General Consumer Information and Complaints 400 W. Congress - South Building, Suite 315 Tucson, Arizona 85701-1367 Telephone: (520)628-6504 or 1-800-352-8431
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